

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 4 2 1 3 3 3

Company name in full Meli'melo' Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) David

Surname Taylor

3 Supervisor's address

Building name/number 1st Floor

Street Hedrich House

Post town 14-16 Cross Street

County/Region Reading

Postcode R G 1 1 S N

Country

4 Supervisor's name^①

Full forename(s) Paul

Surname Ellison

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address^②

Building name/number 1st Floor

Street Hedrich House

Post town 14-16 Cross Street

County/Region Reading

Postcode R G 1 1 S N

Country

② Other supervisor

Use this section to tell us about
another supervisor.

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6 Date of voluntary arrangement

Date

d	1	d	5	m	0	m	8	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7 Period of progress report

Date from

d	1	d	5	m	0	m	8	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to

d	1	d	4	m	0	m	8	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8 Progress report

☒ I attach a copy of the progress report

9 Sign and date

Supervisor's signature

Signature

X 

X

Signature date

d	1	d	4	m	0	m	9	y	2	y	0	y	2	y	0
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Chris Errington**

Company name **KRE Corporate Recovery LLP**

Address **Unit 8, The Aquarium
King Street**

Post town **Reading**

County/Region **Berkshire**

Postcode **R G 1 2 A N**

Country

DX

Telephone **01189 479090**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Voluntary Arrangement of
Meli'melo' Limited
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £	From 15/08/2019 To 14/08/2020 £	From 15/08/2019 To 14/08/2020 £
ASSET REALISATIONS		
Bank Interest Net of Tax	7.38	7.38
Voluntary Contributions	20,000.00	20,000.00
	<u>20,007.38</u>	<u>20,007.38</u>
COST OF REALISATIONS		
Joint Nominees Fees	925.00	925.00
Office Holders Fees	5,000.00	5,000.00
Printers Fees	297.91	297.91
Website Fees	10.00	10.00
	<u>(6,232.91)</u>	<u>(6,232.91)</u>
	<u>13,774.47</u>	<u>13,774.47</u>
REPRESENTED BY		
Bank 1 Current		13,712.89
Vat Receivable		61.58
		<u>13,774.47</u>



David Taylor
Joint Supervisor

Meli'melo' Limited
(Company Voluntary Arrangement)

Progress Report

David Taylor

Paul Ellison

Meli'melo' Limited

KRE Corporate Recovery Limited, Unit 8, the Aquarium, 1-7 King Street, Reading, RG1 2AN

Contents

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- 3.** Ethics
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- 5.** Creditors' Claims
- 6.** Conclusion

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- III.** Breakdown of the Joint Supervisors' Time Costs
- IV.** Charge-out Rates and Bases of Disbursements
- V.** Full Details of Work Undertaken

1. Executive Summary

1.1 This report describes the progress since the commencement of the CVA ("the Review Period") and the prospects for the full implementation of the CVA.

1.2 A summary of key information in this report is detailed below.

Contributions and assets

Contribution / asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Voluntary Contributions	355,000	20,000	335,000	355,000
Bank Interest	-	7	50	57

Expenses

Expense	Estimated per CVA Proposal	Expense paid to date	Anticipated further expense to closure	Total anticipated expense
Joint Nominees' fees	925	925	-	925
Joint Supervisors' fees	37,500	5,000	32,500	37,500
All other expenses	475	308	167	475

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Preferential creditors	N/A	N/A
Unsecured creditors	-	41.6p in the £

Summary of key issues outstanding

1.3 Under the terms of the CVA Proposals, the Company was due to commence monthly contributions of £5,000 per month from February 2020. To date contributions of £35,000 should have been received, however due to the Covid-19 lockdown in the UK, which has severely impacted the Company's trading, contributions of £20,000 have been received. The Company is therefore now 3 months in arrears.

1.4 Due to the lockdown and the negative effect it has had on the Company's business, the director has requested a payment holiday of 5 months with a view to re-commencing contributions in November 2020. As a result, I have convened a correspondence vote to seek creditors consent to the 5 month payment holiday.

Prospects for implementation

1.5 The Company has failed to meet its requirements under the CVA Proposal and a Notice of Breach has been issued. A vote by correspondence has therefore been scheduled to seek creditors approval to vary the terms of the CVA, as detailed above.

2. Receipts and Payments

- 2.1** Attached at Appendix II is the Joint Supervisors' Receipts and Payments Account for the Review Period. The contents are in the main self explanatory.
- 2.2** Under the terms of the CVA Proposal, the Company was required to make no contributions for months 1 to 5, contribute £5,000 per month for months 6 to 20 and contribute £7,000 per month for months 21 to 60.
- 2.3** Contributions totalling £20,000 have been received since the commencement of the CVA and therefore the contributions are currently three months in arrears.
- 2.4** Other than bank interest, there have been no other receipts into the CVA, which is in line with the CVA terms.
- 2.5** The CVA terms also provide that the Joint Supervisors conduct a review of the Company's trading accounts no more than three months before each anniversary with the primary objective of assessing whether the Company has generated any surplus that may be contributed to the CVA in addition to the regular payments. The accounts were provided by the Company on 27 May 2020 and following my review, I can confirm that the Company's trading performance has not resulted in a surplus of funds that can be paid into the CVA.
- 2.6** In accordance with the CVA terms, Joint Supervisors fees of £5,000 have been drawn.

3. Ethics

Please also be advised that Joint Nominee is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

Prior to the Joint Nominee's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment over the Review Period.

4. The Joint Supervisors' Fees and Expenses

- 4.1** The CVA terms provide that the Joint Supervisors are remunerated on the basis of time properly incurred by them and their staff in the administration of the CVA at the Joint Supervisors' standard charge-out rates applicable at the time. Appendix III provides a breakdown of the time costs between the grades of staff allocated to the administration of this matter and the charge out rates of the Joint Supervisors and their staff are detailed in Appendix IV. During the Review Period, time costs totalling £9,469 have been incurred.
- 4.2** These time costs were incurred in carrying out the tasks listed in Appendix V of which the following were the most material:

- 4.2.1** Administration and Planning: complying with the statutory and regulatory duties as regards filing, maintaining records, managing a cash book and bank account, conducting periodic case reviews and drafting this progress report;
 - 4.2.2** Administration and Planning: monitoring and processing the Company's payment of voluntary contributions;
 - 4.2.3** Administration and Planning: pursuing delivery of the Company's trading accounts and carrying out a review of them;
 - 4.2.4** Assets: accounting for the voluntary contributions paid by the Company;
 - 4.2.5** Creditors: responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims;
- 4.3** The attached breakdown shows that a significant proportion of the time costs incurred relate to Administration and Planning, which in the main relates to undertaking statutory duties. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Supervisors and their staff have carried out their work to high professional standards.
- 4.4** The CVA Proposal disclosed that the Joint Supervisors' fees for administering and completing the CVA were estimated to be £37,500. In view of the time costs incurred to date and the anticipated work to conclude the CVA, it is estimated that the final time costs of the Joint Supervisors and their staff will be in this region.
- 4.5** Creditors may access a Guide to Voluntary Arrangement Fees at www.krecr.co.uk/creditors or a hard copy will be provided on request.
- 4.6** The CVA terms also entitle the Joint Supervisors to draw, from the funds held in the CVA, their firm's disbursements calculated on the bases described in Appendix IV. Any payments made in relation to these Category 2 disbursements are detailed in the Receipts and Payments Account at Appendix II.

5. Creditors' Claims

- 5.1** The creditors' claims received are summarised as follows:

Creditor	Claims received £
HMRC – VAT/PAYE/NIC	104,229
Trade and Expense	526,467
TOTAL	630,697

- 5.2** The dividend prospects as set out in the CVA Proposal were based on the creditors' claims estimated at that time totalling £761,368. Although the total claims received to date are less than the total listed in the CVA Proposal, it should be noted that additional claims may be received in response to the Notice of Intended Dividend

- 5.3** The CVA terms provide that the first dividend shall be paid to creditors three months after the second anniversary after the Joint Nominees' fee has been drawn and provided that HMRC's final claim has been agreed.

6. Conclusion

- 6.1** As detailed above, the Company is currently 3 months in arrears with regards to the voluntary contributions and has requested a payment holiday of 5 months with contributions recommencing in November. Subject to the outcome of the vote by correspondence, the Joint Supervisors will continue to monitor the Company's adherence to its terms, taking appropriate steps in line with the CVA terms where necessary.
- 6.2** If the variation is approved and provided that the CVA continues to progress as planned, the Joint Supervisors will issue a further progress report shortly after the next anniversary of the CVA.
- 6.3** Should you have any questions or queries regarding this report, please contact the Manager dealing with this matter, Chris Errington, on 01189 479090 or by email on chris.errington@krecre.co.uk.

Dated this 14 September 2020



David Taylor
Joint Supervisor

APPENDIX I**Meli'melo' Limited (COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	Meli'melo' Limited
Previous Names	
Proceedings	Company Voluntary Arrangement
Court	High Court
Court Reference	CR-2019-004824
Date of Appointment	15 August 2019
Joint Supervisors	David Taylor and Paul Ellison KRE Corporate Recovery Limited Unit 8, the Aquarium, 1-7 King Street, Reading, RG1 2AN
Registered office Address	Unit 22 2-4 Exmoor Street, London, W10 6BD
Company Number	05421333

APPENDIX II

The Joint Supervisors' Receipts and Payments Account

APPENDIX III

Breakdown of the Joint Supervisors' Time Costs

Time Entry - SIP9 Time & Cost Summary

MELIM - Mel'imelo' Limited
All Post Appointment Project Codes
From: 15/08/2019 To: 14/08/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.00	4.10	0.00	0.00	9.10	3,359.50	369.18
Case Specific Matters	4.00	0.00	0.00	0.00	4.00	1,720.00	430.00
Creditors	0.20	11.20	0.00	0.00	11.40	3,390.00	297.37
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	2.05	0.40	0.00	0.00	2.45	999.50	407.96
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	11.25	15.70	0.00	0.00	26.95	9,469.00	351.35
Total Fees Claimed						5,000.00	
Total Disbursements Claimed						297.91	

Time Entry - SIP9 Time & Cost Summary

Category 2 Disbursements

MELIM - Mel'melo' Limited
From: 15/08/2019 To: 14/08/2020

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Disbursement Category	Amount
17/09/2019	Photocopying: 21st Century Print	Category 2	126.99
10/10/2019	Photocopying: 21st Century Print	Category 2	170.92
Total			297.91

Charge-out Rates and Bases of Disbursements

PRACTICE FEE RECOVERY POLICY FOR KRE CORPORATE RECOVERY LIMITED

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://kreocr.co.uk/creditors/>. Alternatively a hard copy may be requested from KRE Corporate Recovery Limited, Unit 8, The Aquarium, 1-7 King Street, Reading, Berkshire, RG1 2AN.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2019 £	Current charge-out rate per hour, effective from 1 April 2017 £
Director – appointment taker	430	390
Senior Manager	320	290
Manager	295	270
Case Administrator and Assistant Manager	260	240
Support Staff	80	80

These charge-out rates charged are reviewed annually and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading.

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or KRE Corporate Recovery Limited in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Mileage	45p per mile
Storage	£50 per box for the life of the case
Photocopying	5p per sheet
Postage	50p per small envelope
Postage	70p per large envelope

APPENDIX V

Full Details of Work Undertaken

General Description	Includes
Administration and Planning	
Statutory	Filing of documents to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Creditor reports	Preparing annual progress reports to creditors and other parties
Realisation of Assets	
Contributions	Monitoring the Company's compliance with the terms of the CVA and taking necessary steps in the event of any delayed compliance with, or breaches of, the terms Periodic review of amount of contribution
Other terms of the proposal	Reviewing annual management accounts Liaising with Director and HMRC about finalisation of the pre appointment tax position of the company Monitoring compliance with the terms of the VA
Creditors	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post